

# *Access Rail*

**RAILROAD REVOLVING LOAN AND GRANT PROGRAM**



I O W A D E P A R T M E N T O F T R A N S P O R T A T I O N

# Access Rail

**Building access to the nation's rail system for Iowa businesses**

***“Our company, Cascade Manufacturing Company, has expanded to a location in Pleasantville. The facility is served by a rail siding, constructed with the help of the Rail Revolving Loan and Grant Program.***

***Access to rail transportation at our new plant means reduced raw material transportation costs, which benefits our company, our customers and the community. The expansion will create 50 new jobs over the next few years. The rail connection will help us be more competitive and reach a wider market. An added benefit is a reduction in highway truck traffic, emissions and fuel consumption.”***

Ray Noonan, President  
Cascade Manufacturing Company  
Pleasantville



Rail lines crisscross Iowa connecting 407 Iowa communities and 90 counties to the nation's rail system. These rail lines tie businesses to their customers and Iowa's products to the world and provide big benefits to businesses, communities and the state's economy.

**For businesses,** access to a rail line can lower costs and open new markets, which help businesses be more profitable and grow.

**For communities,** access to a rail line can spur job growth and development.

**For railroads,** new customers lead to higher revenues and increased investment capacity for improvements to Iowa's rail system.

**For Iowa,** connections to the rail system extend the reach of Iowa's goods and boost the economy.

Access Rail needs your continued support to address the needs of Iowa's shippers and railroads for expanded rail access.

# Access Rail

## Supporting the growth of Iowa's emerging industries

*“Transportation is a key factor in the wind industry. The very large size of wind turbine parts makes their shipment challenging. With help from the Rail Revolving Loan and Grant program, we were able to attract Trinity Structural Towers to Newton in part by building a rail spur that lets them use rail cars to ship their inputs and products to the site. Iowa’s position in the center of the country and choices in shipping their products were huge factors in Trinity’s decision to locate in Newton.”*

Bryan Friedman  
Community Development Director  
Newton





The Rail Revolving Loan and Grant Program has assisted alternative energy providers – both biofuels and wind energy. These industries rely heavily on rail to deliver bulk commodities or over-size components.

Without access to the rail system, none of these emerging industries would likely have sited a plant in Iowa. Millions of gallons of ethanol and thousands of carloads of high protein animal feed additive are produced from Iowa's corn and shipped throughout the nation by rail. Wind turbine components, too large to easily transport by truck, can be shipped on rail from the center of the nation to either coast and south to the Gulf of Mexico.

Though the rail industry is an old industry, there is nothing old-fashioned about the way it supports these emerging industries.

# *Access Rail*

**Helping businesses build or improve rail infrastructure**

*“Our rubber mixing plant in Keokuk supplies rubber to all of our current North American manufacturing sites. A grant from the Rail Revolving Loan and Grant Program helped us upgrade our track system, part of which dates to the 1920s. As a result, we have been able to increase the amount of raw materials we receive by rail and have eliminated costly manufacturing delays caused by track inadequacies.”*

Larry Lasater, Human Resource Manager, Iowa Operations  
Metzeler Automotive  
Keokuk



The Rail Revolving Loan and Grant Program was created in 2005 to spur economic development and job growth by connecting Iowa businesses to the rail network and help strengthen Iowa's rail network. The program is funded with repayments of existing rail loans and legislative appropriations.

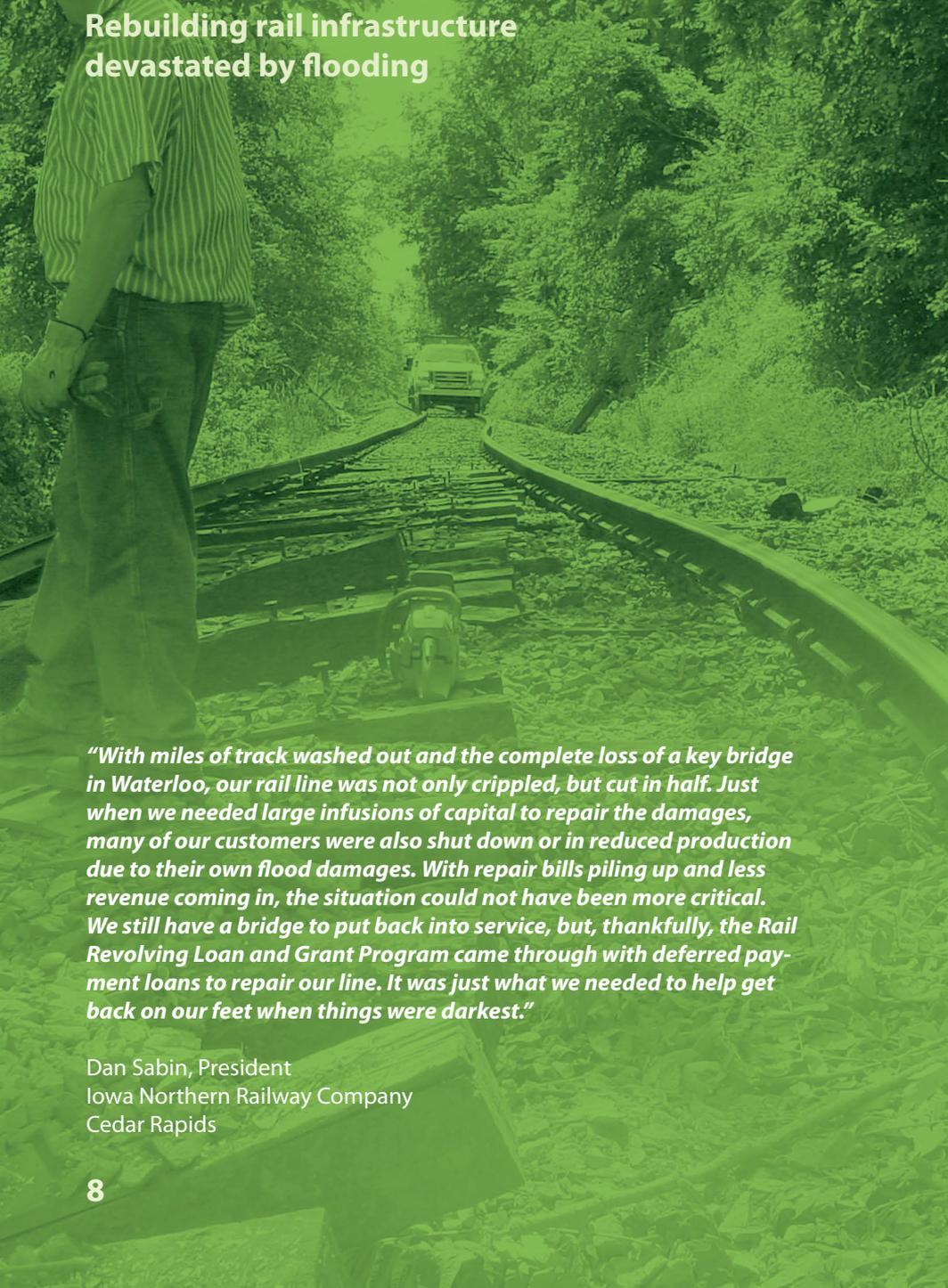
Since 2006, assistance has been sought for 57 projects requesting more than \$34 million in grants or loans. The Rail Revolving Loan and Grant Program awarded \$9.6 million in loans and grants to 25 projects. These 25 projects helped create 1,175 jobs, supported nearly \$1.4 billion in private investment by businesses and helped shore up a flood damaged rail system.

Demand for grants and loans for rail infrastructure is expected to continue. Past applications showed an unmet need of more than \$24 million.

- ***57 project applications .....25 awarded***
- ***\$34.2 million requested .....\$9.6 million awarded***
- ***Awards assisted in creation of 1,175 jobs***
- ***\$9.6 million in awards leveraged \$1.4 billion in private capital investment***

# Access Rail

## Rebuilding rail infrastructure devastated by flooding



*“With miles of track washed out and the complete loss of a key bridge in Waterloo, our rail line was not only crippled, but cut in half. Just when we needed large infusions of capital to repair the damages, many of our customers were also shut down or in reduced production due to their own flood damages. With repair bills piling up and less revenue coming in, the situation could not have been more critical. We still have a bridge to put back into service, but, thankfully, the Rail Revolving Loan and Grant Program came through with deferred payment loans to repair our line. It was just what we needed to help get back on our feet when things were darkest.”*

Dan Sabin, President  
Iowa Northern Railway Company  
Cedar Rapids



After three years helping build rail access for businesses, the 2008 floods changed the program's focus. Segments of Iowa's rail system were hit hard by flood waters. Bridges were washed away; track was hanging in mid air, while ties and ballast disappeared downstream.

In July, the Rail Revolving Loan and Grant Program came to the rescue of Iowa's flood-damaged regional and shortline railroads. Awards of nearly \$4 million in deferred repayment loans paid for materials to repair damaged track and helped seven Iowa railroads get back to business.

Unfortunately, there was not enough funding available to assist with bridge replacements, facility damage, signals or equipment, leaving the shortline and regional railroads with another \$18 million in damages and some lines with curtailed operations or long detours to reach customers.

# *Access Rail*

**Building opportunities  
with your help**

***"I want to thank the Rail Revolving Loan and Grant Program for providing a crucial tool in economic development, especially in rural areas like Washington.***

***The rail assistance for the Iowa Renewable Energy biodiesel plant helped to make the project a reality.***

***The Rail Revolving Loan and Grant Program has also helped our organization in discussions with other property owners and entrepreneurs that are interested in rail service in the future.***

***I hope that the successes of the Rail Revolving Loan and Grant Program will be recognized and that the Legislature will continue to provide funding for this important program."***

Edward Raber, Executive Director  
Washington Economic Development Group  
Washington



Iowa businesses and communities want the advantages that rail transportation can provide. Assistance for improved rail facilities offers an economical choice for Iowa's shippers – lowering shippers' costs, aiding in energy efficiencies, lowering emissions, and strengthening a vital transportation resource when natural disasters strike.

Since the program's inception, funding requests have consistently exceeded the available funding. Expected loan repayments will provide only \$800,000 for FY2010 projects. A \$3 million legislative appropriation will help build a sustainable program by growing future loan repayments and replenish the fund after flood awards.

The state's 19 railroads, the recipients of Rail Revolving Loan and Grant Program awards, the League of Cities, Iowa State Association of Counties, Professional Developers of Iowa, and the Iowa Association of Business and Industry are supportive of increased rail funding. Join these businesses and organizations in supporting Access Rail.



**To learn more about  
rail transportation in Iowa, contact:**



Office of Rail Transportation  
800 Lincoln Way  
Ames, IA 50010  
515-239-1052  
or visit our Web site at  
**[iowarail.com](http://iowarail.com)**

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